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NEWS RELEASE

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**Hawaii Public Utilities Commission Endorses the
National Action Plan for Energy Efficiency**

The Hawaii Public Utilities Commission ("PUC") announced today that it supports the National Action Plan for Energy Efficiency ("NAPEE") and endorses the goals and recommendations of the NAPEE's Leadership Group to aggressively pursue improvements in energy efficiency throughout the country.

The NAPEE's Leadership Group is comprised of more than 50 electric and gas utilities, state utility commissioners, state air and energy agencies, energy service providers, energy consumers, and energy efficiency and consumer advocates. Members of the Leadership Group, with support from the U.S. Department of Energy and the U.S. Environmental Protection Agency, developed the NAPEE as part of an organized national effort aimed at bringing together stakeholders – such as electric utilities, utility regulators and partner organizations – that have pledged to take specific actions relating to energy efficiency to address the challenges resulting from the country's increasing energy demand. The NAPEE recommends that these stakeholders:

- Recognize energy efficiency as a high priority energy resource;
- Make a strong, long-term commitment to cost-effective energy efficiency as a resource;
- Broadly communicate the benefits of and opportunities for energy efficiency;
- Provide sufficient, timely, and stable program funding to deliver energy efficiency where cost-effective; and
- Modify policies to align utility incentives with the delivery of cost-effective energy efficiency and modify ratemaking practices to promote energy efficiency investments.

The PUC's ongoing initiatives and actions are consistent with the NAPEE's laudable goals and recommendations, as the PUC is also currently examining energy efficiency issues relevant to the State of Hawaii ("State") within its ongoing Energy Efficiency Docket. These issues are:

- Whether energy efficiency goals should be established and if so, what the goals should be for the State;
- Whether specific energy efficiency and demand-side management programs that have been proposed by Hawaiian Electric Company, Inc. ("HECO") will achieve the established energy efficiency goals and whether the programs will be implemented in a cost-effective manner;
- What market structure(s) is the most appropriate for providing these programs;
- For utility-incurred costs, what cost recovery mechanism(s) is appropriate; and
- For utility-incurred costs, what cost level is appropriate.

Addressing and improving energy efficiency is a high-priority matter for the PUC. Recently, within the Energy Efficiency docket, the PUC gave approval for HECO to implement interim demand-side management programs to help address HECO's immediate reserve capacity shortfall. With the assistance and cooperation of the parties, the PUC expects to resolve the foregoing issues and issue a final decision in the Energy Efficiency Docket by the end of 2006.

By endorsing the NAPEE, the PUC seeks to highlight the importance and value of energy efficiency as part of an overall energy portfolio and strategy for the State. "We are pleased to be a supporter of the National Action Plan for Energy Efficiency," said Carlito P. Caliboso, Chairman of the PUC. "We join with other stakeholders to collectively bring the benefits of improved energy efficiency to Hawaii's consumers and residents."

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